

# **THE OXFORD UNION SOCIETY**

## **Management Accounts March 2025**

### **Commentary**

1. The forecast for the full year remains as per the February management accounts as a full year loss of ~£430k.
2. Cash position (Bank balances) at the start of FY 2024/25 were £750k. Therefore, the cash position at the end of FY 24/25 will be approximately £300k. Hence, we need to ensure there is no repeat of the FY 24/25 financial performance in FY 25/26.
3. In broad terms half of this loss for FY 24/25 was as a result of planned capital spend during the 2024 long vac, plus ~£11k of legal fees incurred so far re the events of Nov 28<sup>th</sup>. The other half is an operating loss.
4. The operating loss had the following main contributing factors; membership revenue shortfall, YouTube channel income shortfall, Summer 2024 closure, debate dinner expenditure. Further detail is provided below with our proposed action plans to address the issues for FY 2025/26.
5. **Membership revenue.**
  - 5.1. At the end of MT24 membership revenue was down £90k compared to the previous year and budget. Were this level of reduction in new membership subscriptions to occur again it would require us to amend the operating model significantly to reduce costs.
  - 5.2. *Action Plan:*
    - 5.2.1. To work with MT25 President and President Elect, as follows:
    - 5.2.2. August 2025 membership recruitment campaign targeting new students at the time of accepting a place at Oxford with the aim of having a secured base of membership revenue before term starts.
    - 5.2.3. Devise and implement a strategy to drive-up Oxford Brookes membership.
    - 5.2.4. Focus on the quality of the MT25 termcard and member experience to mitigate the risk of a repeat of the shortfall experienced in MT24.
6. **Youtube channel income shortfall.**
  - 6.1. FY 25/26 loss of £130K, this is the result of a shortfall of income vs. budget. Presently the only income stream from the channel is advertising revenue. The budget for FY24/25 was based on the previous year's income which had resulted in a roughly breakeven position against the cost of the contract with Thread Studios.
  - 6.2. It is only now that we are beginning to understand the complexities of the YouTube income. Initial investigations by Thread of the reduction of advertising revenue from the channel identify a number of possible factors including:

6.2.1. A geographic shift of audience away from USA, resulting in lower value of CPM.

6.2.2. Possible “shadowbanning” of the channel in response to the upload/takedown/upload cycle required in response to 28 November being interpreted by the algorithm as suspicious behaviour and possibly triggering a penalty, and possibly to a high number of complaints negatively affecting the standing/rating of the channel. Thread’s YouTube account manager denies that shadowbanning occurs but acknowledged there may be some form of suppression taking place.

6.2.3. Thread also speculate that we may be subject to external targeting to damage our revenue generation on the channel.

6.3. The contract with Thread Studios costs ~£13,500 per month and provides strategy support, filming, editing and production and channel management. They have been a very solid partner during a challenging year. It is worth noting that other providers were used during the term for additional filming and though their costs per event were lower they only provided the filming and edit. These providers did not manage the storage, scheduling or uploading of the footage.

6.4. Given the significant risk in our generated revenue The Union cannot afford this level of cost in the contract for 2025/26.

6.5. *Action Plan:*

6.5.1. Seek to reduce the cost of filming, production and channel management in the contract for 2025/26 onwards.

6.5.2. Proactive reputation management around controversial/contentious events to mitigate risk of damage.

6.5.3. Explore implementing additional revenue streams for the channel, mid-roll advertisements, sponsorship and merchandising.

6.5.4. Explore Video On Demand via distributor model.

## 7. **Summer 2024 closure.**

7.1. The site was closed for much of the 2024 long vacation to allow for the refurbishment of the toilets, the upgrade to the site’s electricity supply, and the ongoing renovation of the chamber windows. During that period, we were unable to generate any Events income.

7.1.1. This will not be repeated Summer ‘25. We already have bookings of ~£60k revenue and continue to seek further sales.

7.1.2. We have identified the real positive impact of the Events income stream to The Union. Its importance needs to be appreciated by all of us.

7.1.3. *Action plan:*

7.1.3.1. TSC and Ops team will work together to find ways to incorporate this important profit generating activity into term-time without impacting term-card activities.

## 8. **Debate Dinner expenditure.**

8.1. Year to date costs for debate dinners are ~£40k against a budget of £10k. HT25 President generated £10k sponsorship revenue to offset their term's dinner costs, reducing the total overspend to £20k. The budget for TT25 is £5k.

8.2. The cost of the meal and wine for 2024/25 is approx. £35 per person, thus the budget of £5k per term allows for the Union covering the cost of 17 diners per dinner assuming 8 dinners per term.

8.3. When we sell tickets to debate dinners we must charge VAT. Thus, a break-even ticket sale price is £35 plus 20% = £42. Therefore, SC should consider the price of debate dinner tickets at not less than £45 per head at current prices. Debate dinner tickets for TT25 and future terms should be proactively sold in advance with a clear cancellation policy that prevents unfunded costs being incurred.

8.4. *Action plan:*

8.4.1. We need to ensure that the costs of debate dinners do not exceed budget.

## **9. Exploring other avenues of income generation.**

9.1. The team continue to explore all possible additional profit generating income streams to contribute to the financial health of The Union.